

## Message Text

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PAGE 01 EC BRU 04075 251334Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----251352Z 108070 /43

R 251119Z APR 77  
FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC 3602  
INFO USMISSION OECD PARIS  
AMEMBASSY ALGIERS

C O N F I D E N T I A L EC BRUSSELS 4075

EXDIS

DEPT FOR COOPER

OECD PARIS FOR BOSWORTH

E.O. 11652: GDS  
TAGS: EEC, CIEC  
SUBJECT: CONVERSATION WITH AIT CHALLAL

REF: COOPER-HINTON CONVERSATION

1. PER OUR CISCUSION, I TALKED AT LENGTH WITH ALGERIAN  
AMBASSADOR AIT CHALLAL APRIL 23. I DOUBT THAT IT DID  
ANY HARM, ALTHOUGH I CANNOT BE CERTAIN, AND IT MAY HAVE  
HELPED. NEVERTHELESS, I JUDGE HE WILL BE SEEKING IN PARIS  
DURING NEXT TWO WEEKS TO OBTAIN CALRION CLEAR DECISIONS  
FOR IMPLEMENTATION IN OTHER INTERNATIONAL FORA, AND WHAT  
HE WANTS PREDICTABLY GOES BEYOND WHAT WE INTEND.

2. FOR HIM THE 77'S INTEGRATED COMMODITY PROGRAM REMAINS  
CRITICAL, AND THE COMMON FUND IS THE "KEystone." A  
"FORCADE" TYPE COMMON FUND, NEGOTIATED IN PARALLEL  
WITH COMMODITY AGREEMENTS, AND SUPPORTED BY EXPORT EARNINGS  
STABILIZATION A LA IMF COMPENSATORY FINANCE, DOES NOT  
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STRIKE HIM AS SATISFACTORY, BUT HE WAS NOT AS VOCIFEROUS  
IN REJECTING THIS" INTEGRATED COMMODITY APPROACH" AS I HAD  
ANTICIPATED. PERHAPS WITH OVERDRAFT SWEETENER -- NOT  
MENTIONED NATURALLY -- WE'LL BE CLOSE. NEITHER HE NOR I  
MENTIONED STABEX, WHICH IN HIS CASE IS PERHAPS SIGNIFICANT.

3. HE HOPED WE WOULD NOT SEEK ENDORSEMENT OR EVEN FURTHER

STUDY OF IRB, WHICH HE CALLED TRANSPARENT GUARANTEE FUND FOR MULTINATIONAL CORPORATE ACTIVITIES, BUT AGREED PROBLEMS OF RESOURCE DEVELOPMENT AS I DESCRIBED THEM NEEDED FURTHER STUDY AND EVENTUAL ANSWERS, PREFERABLY ALONG ALGERIAN MODEL, PLUS UN CODE ON MULTINATIONAL ACTIVITY.

4. RE IEI, HE WAS NOT OPPOSED TO US VERSION, WHICH WOULD BE USEFUL IF CREATED AS UN INSTITUTION, BUT HARANGUED ME ABOUT ALLEGED EC ATTEMPTS TO BUILD ONTO INSTITUTE IDEA A FORUM FOR ENERGY POLICY DISCUSSIONS WHICH WAS INTENDED TO LEAD EVENTUALLY TO UNACCEPTABLE INTERVENTION IN OPEC PRICE FIXING PEROGATIVES. IT IS EASY TO DEDUCE THAT HE WILL FIGHT ANY CONTINUING CONSULTATIVE ENERGY POLICY MECHANISM.

5. RE DEBT, HE SOUNDED REASONABLE, PROVIDED FUNDS ARE QUICKLY MADE AVAILABLE TO MSAS. HE STRESSED GEYPT, WHICH MADE ME WONDER IF HE WERE TELLING ME WHAT I WANTED TO HEAR, RATHER THAN WHAT HE THINKS. HE ALSO URGED THAT US-EC APPROACH PROVIDE FOR MORE OF "AN EARLY WARNING" SYSTEM.

6. OVERALL, HE ASSERTED 77 VIEWED CIEC AS FAILURE TO DATE, ALLEGED RETROGRADE MOVEMENT ON MANY ISSUES SINCE 1975, BUT WHEN CHALLENGED TO NAME THEM COULD ONLY CATE FAILURE OF UNCTAD COMMON FUND NEGOTIATIONS, WHICH I DISMISSED AS PREMATURE JUDGMENT. HE SEEMED SOMWHAT IMPRESSED BY MY DESCRIPTION OF POSITIVE ATTITUDE OF CARTER ADMINISTRATION TOWARD COMMODITY AGREEMENTS FOR PRICE STABILIZATION PUROSES AND WHAT I TOLD HIM ABOUT OUR PROPOSALS FOR SUGAR.

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7. HE SAYS FINAL CIEC DOCUMENT SHOULD PROVIDE PROPER "ORIENTATION" FOR CONCLUSION NEGOTIATIONS IN OTHER FORA WITH STRESS ON NEED FOR DECISIVE ACTION SOON.

8. HE WANTS TO TALK WITH YOU AT SENIOR OFFICIAL MEETINGS AND VOLUNTERRED TO SEE ME AGAIN AFTER NEXT TWO WEEKS IN PARIS.

9. RE MACAO, IT PAINS ME TO CONFESS THAT YOU WERE RIGHT.  
HINTON

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NNN



## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, DIPLOMATIC DISCUSSIONS  
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**Copy:** SINGLE  
**Sent Date:** 25-Apr-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
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**Drafter:** n/a  
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**Expiration:**  
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**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONVERSATION WITH AIT CHALLAL  
**TAGS:** PDIP, ECON, US, AG, EEC, CIEC, (HINTON, DEANE R), (CHALLAL, AIT)  
**To:** STATE  
**Type:** TE  
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